

Message Text

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PAGE 01 LUSAKA 02268 261221Z
ACTION AF-10

INFO OCT-01 ISO-00 OPIC-03 EB-08 SS-15 L-03 CIAE-00
INR-10 NSAE-00 COME-00 AID-05 TRSE-00 ABF-01 FS-01
/057 W
-----044092 261228Z /53
P 261130Z JUN 78
FM AMEMBASSY LUSAKA
TO SECSTATE WASHDC PRIORITY 8739

LIMITED OFFICIAL USE LUSAKA 2268

E.O. 11652: N/A
TAGS: EINV
SUBJ: PHELPS DODGE CLAIM

REF: STATE 160763, LUSAKA 765

1. EMBASSY CONCURS THAT APPROACH BE MADE TO GRZ ON BEHALF OF PDMSI TO OBTAIN PRIORITY REMITTANCE OF BOTH DIVIDENDS AND CONSULTANCY FEES. UNLESS ADVISED OTHERWISE BY DEPARTMENT, WE WILL INITIATE ACTION BY DIPLOMATIC NOTE OUTLINING SITUATION AND REQUESTING DISCUSSIONS WITH APPROPRIATE OFFICIALS. FYI: NOTE SERVES TWO PURPOSES: GRZ ONCE AGAIN INSISTING ON STRICT ADHERENCE TO LONGSTANDING REQUIREMENT THAT FOREIGN MISSIONS DEAL THROUGH FOREIGN AFFAIRS ON ALL CONTACT WITH MINISTRIES, AND THAT ALL KEY ZAMBIAN OFFICIALS INCLUDING MINISTER OF FINANCE CURRENTLY IN PARIS FOR CONSULTATIVE GROUP MEETING AND NOT EXPECTED TO RETURN BEFORE JUNE 30. ZAMBIAN HOLIDAYS JULY 3 AND 4 PRECLUDE ANY APPOINTMENTS BEFORE JULY 5. NOTE WILL AT LEAST SERVE NOTICE OF OUR INTENTIONS. END FYI.

2. WE ARE REVIEWING MONTHLY KWACHA OPERATINGFTDTS OF LIMITED OFFICIAL USE

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EMBASSY AND WILL ADVISE PER PARA 3 STATE REFTEL. OUR IMMEDIATE REACTION IS THAT MORE THAN 3 MONTHS OPERATING COSTS ARE INVOLVED.

3. STATE REFTEL INDICATES DEPARTMENT PREPARED TO ACCEPT KWACHA DEPOSIT FROM PHELPS DODGE TO EMBASSY ACCOUNT BUT DOES NOT ADDRESS PROBLEM OF FOREIGN EXCHANGE REGULATIONS

RAISED LUSAKA REFTEL. A RE-READING OF EXCHANGE CONTROL REGULATIONS CONFIRMS EMBASSY OPINION THAT PROPOSED TRANSACTION WOULD VIOLATE THESE REGULATIONS. UNLESS PRIOR APPROVAL RECEIVED FROM MINISTRY OF FINANCE. REQUEST DEPARTMENT FOCUS ON THIS POINT AND ADVISE. OPIC ATTORNEY ALLAN KESEE FAMILIAR WITH REGULATIONS AND PROBLEM SIMILAR TRANSACTION CAUSED USG AT EMBASSY NAIROBI WITH RESPECT TO TAW INTERNATIONAL LEASING.

4. QUESTION OF EXCHANGE RATE FOLLOWING DEVALUATION NOT YET CLEAR. OUR UNDERSTANDING IS THAT BANK OF ZAMBIA IS TO "ABSORB" COST OF DEVALUATION FOR ALL REMITTANCES FOR WHICH APPLICATIONS MADE PRIOR TO DATE OF DEVALUATION. WILL CLARIFY THIS POINT IN DISCUSSION OF CASE WITH GRZ.
CLINGERMAN

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CLAIMS, INVESTMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 26 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
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Format: TEL
From: LUSAKA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780621/aaaaarqy.tel
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Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
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Original Classification: LIMITED OFFICIAL USE
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Review Withdrawn Fields: n/a
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Secure: OPEN
Status: NATIVE
Subject: PHELPS DODGE CLAIM
TAGS: EINV, ZA, PHELPS DODGE
To: STATE
Type: TE
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